

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-245-E - ORDER NO. 94-406 *VC*
MAY 4, 1994

IN RE: Application of South Carolina Electric & Gas Company for Authority to Issue and Sell \$10,868,000 of its FIRST and Refunding Mortgage Bonds to be Secured by its Existing Mortgage.) ORDER
) AUTHORIZING
) ISSUANCE OF
) BONDS
)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed on April 27, 1994, by South Carolina Electric & Gas Company (SCE&G), whereby SCE&G sought certain relief in the nature of the authorization of a specific financing transaction.

Based on the application and accompanying exhibits, the Commission makes the following findings and conclusions:

1. According to SCE&G's Application, SCE&G proposes to issue \$10,868,000 principal amount of its First and Refunding Mortgage Bonds, 6½% Series due 1998, to be dated as of the date of authentication, to mature on September 1, 1998, and to bear interest at the rate of six and one-half percent (6½%) per annum from March 1, 1994.

2. The Bonds are to be deposited with the Trustee of SCE&G's Indenture, dated as of January 1, 1945, as thereafter supplemented, to satisfy, in part, that Indenture's sinking fund requirement, which becomes due on or before June 1, 1994.

3. According to the Application the bonds will be canceled

by the Trustee pursuant to the terms of the Indenture. SCE&G intends and proposes to waive the interest on the bonds for the period from March 1, 1994 to June 1, 1994.

4. The Application asserts that the proposed issuance of the bonds is intended to satisfy the sinking fund requirement without the expenditure of cash, "thereby conserving (SCE&G's) cash for use in connection with its construction program...." The principal amount of the bonds proposed to be issued will be deposited with the Trustee and will not be sold. As a consequence, no consideration will be received by the Company other than the preservation of its cash for its construction program.

5. Based on the findings hereinabove, the Commission determines that the purpose of the proposed issuance is proper and that the amount of the issue is reasonably necessary to accomplish the purpose for which the issuance is to be made.

6. Approval of this Application does not bind the Commission as to the ratemaking treatment of this issuance.

7. This Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law.

IT IS THEREFORE ORDERED:

1. That the South Carolina Electric & Gas Company is authorized to issue an additional \$10,868,000 principal amount of First and Refunding Mortgage Bonds, 6½% Series due 1998, to be dated the date of authentication thereof, to mature September 1, 1998, and to bear interest at the rate of six and one-half percent

(6½%) per annum from March 1, 1994; that further such bonds are to be issued under and pursuant to the terms of the Indenture of South Carolina Power Company, dated as of January 1, 1945, as supplemented by Fifty-two Supplemental Indentures, and to be redeemable as specified in the Sixteenth Supplemental Indenture.

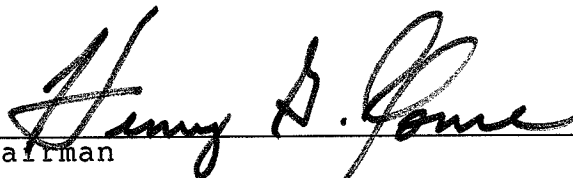
2. That the Company is authorized to waive the interest due on the bonds for the period from March 1, 1994, to June 1, 1994, and to deposit the \$10,868,000 principal amount of bonds with Chemical Bank, Trustee, to satisfy, in part, the sinking fund requirement, which becomes due on June 1, 1994, under the sinking fund provided for in the Indenture as supplemented, which bonds shall thereupon be canceled by the Trustee pursuant to the terms of the Indenture.

3. That this Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law.

4. Approval of this Application does not bind the Commission as to the ratemaking treatment of this issuance.

5. That this Order remain in full force and effect until
further Order of the Commission

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)